

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Harris Post Office
Harris, Iowa 51345

Docket No. A2012-80

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(January 17, 2012)

On November 23, 2011, the Postal Regulatory Commission (“Commission”) received an appeal postmarked November 17, 2011 from Jeff Loring, Mayor of the City of Harris (“Petitioner Loring”), objecting to the discontinuance of the Post Office at Harris, Iowa.¹ On December 8, 2011, the Commission issued Order No. 1029, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). On December 8, 2011, pursuant to Order No. 1029, the Postal Service filed the administrative record with the Commission. On December 9, 2012, the Commission received a petition postmarked November 23, 2011 from Connie Hauenstein (“Petitioner Hauenstein”).

The appeal and subsequent filings raise three main issues: (1) the impact on the provision of postal services; (2) the impact upon the Harris community; and (3) the estimated economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition,

¹ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

consistent with the Postal Service's statutory obligations and Commission precedent,² the Postal Service gave consideration to a number of other issues, including the impact of the discontinuance upon postal employees. Accordingly, the determination to discontinue the Harris Post Office should be affirmed.

Background

The Final Determination To Close the Harris, IA Post Office and Establish Service by Rural Route Service ("Final Determination" or "FD"),³ as well as the administrative record, indicate that the Harris Post Office provides EAS-11 level service to 85 post office box customers and 97 delivery route customers.⁴ The postmaster of the Harris Post Office retired on March 26, 2010.⁵ Since the postmaster vacancy arose, an officer-in-charge ("OIC") was installed to operate the office.⁶ The noncareer postmaster relief ("PMR") serving as the OIC may be separated from the Postal Service.⁷ The average number of daily retail window transactions at the Harris Post Office is 18, accounting for 19 minutes of workload daily.⁸ Revenue has fluctuated:

² See 39 U.S.C. 404(d)(2)(A).

³ The Final Determination can be found at Item 47 in the administrative record. All citations to the Final Determination will be to "FD at ____," rather than to Item 47. Other items in the administrative record are referred to as "Item ____."

⁴ FD at 2; Item No. 18, Post Office Closing or Consolidation Proposal Fact Sheet ("Post Office Fact Sheet") at 1; Item No. 33, Proposal to Close the Harris, IA Post Office and Establish Service by Rural Route Service ("Proposal") at 2.

⁵ FD at 2; Item No. 33, Proposal at 2, 6.

⁶ FD at 2; Item No. 33, Proposal at 7.

⁷ FD at 6; Item No. 33, Proposal at 6.

⁸ FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 33, Proposal at 2.

\$24,946 in FY 2008 (65 revenue units); \$25,831 in FY 2009 (67 revenue units); and \$21,516 in FY 2010 (56 revenue units).⁹

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route services under the administrative responsibility of the Ocheyedon Post Office,¹⁰ an EAS-13 level office located 6 miles away, which has 127 available post office boxes.¹¹

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the Harris Post Office were considered and properly addressed by the Postal Service and the Postal Service complied with all notice requirements. The Postal Service provided notice through a variety of methods. Questionnaires were distributed to all delivery and post office box customers of the Harris Post Office.¹² Questionnaires were also available over the counter for retail customers at the Harris Post Office.¹³ A letter from the Manager of Post Office Operations, Cedar Rapids, Iowa, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Harris Post Office was warranted.¹⁴ The letter invited customers to express their opinions about the service they were receiving and the

⁹ FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 33, Proposal at 2.

¹⁰ The Ocheyedon Post Office is not on the candidate list in the Retail Access Optimization Initiative (PRC Docket N2011-1).

¹¹ FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 33, Proposal at 2.

¹² FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Harris Post Office at 1; Item No. 21, Cover Letter at 1.

¹³ FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Harris Post Office at 1.

¹⁴ Item No. 21, Cover Letter at 1.

effects of a possible change in the way postal services are provided.¹⁵ Seventy customers returned questionnaires, and the Postal Service responded.¹⁶ In addition, representatives from the Postal Service were available at the Harris Community Building for a community meeting on April 28, 2011 to answer questions and provide information to customers, and 72 customers attended the meeting.¹⁷ Customers received formal notice of the Proposal and Final Determination through postings at the Harris and Ocheyedon Post Offices.¹⁸ The Proposal was posted with an invitation for public comment at the Harris and Ocheyedon Post Offices for 60 days, beginning on July 11, 2011.¹⁹ Two customers returned a comment in response to the “Invitation for Comments” after the proposal was posted.²⁰ The Postal Service responded to those concerns.²¹ The Final Determination has been posted at the Harris and Ocheyedon Post Offices since November 7, 2011 as confirmed by the round-date stamped Final Determination cover sheets that appear in the administrative record.²²

¹⁵ *Id.*

¹⁶ See *generally*, Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters; see *also* Item No. 23, Analysis of Questionnaires.

¹⁷ FD at 2; Item No. 21, Cover Letter at 1; Item No. 24; Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal at 2.

¹⁸ Item No. 36, Round-date Stamped Proposal and Invitations for Comment Cover Sheets; Item No. 49, Round-date Stamped Final Determination Cover Sheets.

¹⁹ Item No. 36, Round-date Stamped Proposal and Invitations for Comment Cover Sheets.

²⁰ Item No. 38, Proposal Comments and Postal Service Response Letters; Item No. 40, Analysis of Comments.

²¹ Item No. 38, Proposal Comments and Postal Service Response Letters; Item No. 40, Analysis of Comments.

²² Item No. 49, Round-date Stamped Final Determination Cover Sheets.

In light of a postmaster vacancy; minimal workload; low office revenue;²³ the variety of delivery and retail options (including the convenience of rural delivery and retail service);²⁴ minimal impact upon the community;²⁵ and the expected financial savings,²⁶ the Postal Service issued the Final Determination.²⁷ Regular and effective postal services will continue to be provided to the Harris community in a cost-effective manner upon implementation of the Final Determination.²⁸

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii), and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Harris Post Office on postal services provided to Harris customers. The closing is premised upon providing regular and effective postal services to Harris customers.

Upon the implementation of the Final Determination, delivery and retail services will be provided by rural route delivery to mailboxes emanating from the Ocheyedan Post Office.²⁹ In addition to rural delivery, which is the recommended alternate service, customers may also receive postal services at the Ocheyedan Post Office, which is

²³ FD at 8; Item No. 18, Post Office Fact Sheet at 1; Item No. 33, Proposal at 7.

²⁴ FD at 5; Item No. 33, Proposal at 6.

²⁵ FD at 6; Item No. 33, Proposal at 6.

²⁶ FD at 6-7; Item No. 33, Proposal at 7.

²⁷ FD at 1.

²⁸ *Id.* at 8.

²⁹ FD at 2; Item No. 33, Proposal at 2.

located 6 miles away.³⁰ The window service hours of the Ocheyedon Post Office are from 8:30 a.m. to 11:00 a.m. and 12:30 p.m. to 4:00 p.m., Monday through Friday, and 8:30 a.m. to 9:30 a.m. on Saturday.³¹

The appeal raises the issue of the effect of the Harris Post Office's closing on the provision of postal services, noting the convenience of the Harris Post Office and requesting its retention. Specifically, Petitioner Hauenstein raises the concern that travel to Ocheyedon will be inconvenient.³² Customers, however, will not be required to travel to another Post Office to receive or obtain delivery and most retail services. As the Postal Service explained throughout the administrative record, rural route delivery to mailboxes installed on the carrier's line of travel provides similar access to retail service, thereby alleviating the need to travel to the Post Office for most services.³³ Further, carriers can perform many functions (at the same time that the carrier delivers the mail) that will prevent any need to go to a Post Office.³⁴ Additionally, most transactions do not require meeting the carrier at the mailbox.³⁵ The Postal Service explained that it offers several convenient options that can save customers a trip to the Post Office and remove the need to interact with a carrier for most postal transactions.³⁶

³⁰ FD at 2; Item No. 33, Proposal at 2.

³¹ FD at 2; Item No. 33, Proposal at 2.

³² Dec. 9, 2012, Petition of C. Hauenstein.

³³ FD at 5; Item No. 21, Cover Letter at 4; Item No. 33, Proposal at 6.

³⁴ FD at 5; Item No. 21, Cover Letter at 4; Item No. 33, Proposal at 6.

³⁵ FD at 6; Item No. 21, Cover Letter at 4; Item No. 33, Proposal at 6.

³⁶ *Id.*

Thus, the Postal Service has properly concluded that all Harris customers will continue to receive regular and effective service via rural route delivery to mailboxes on the carrier's line of travel.

Effect Upon the Harris Community

The Postal Service is obligated to consider the effect of its decision to close the Harris Post Office upon the Harris community.³⁷ While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Harris is an unincorporated community located in Osceola County.³⁸ The community is administered politically by Mayor and Council.³⁹ Police protection is provided by the Osceola County Sheriff and fire protection is provided by the Harris Fire Department.⁴⁰ The questionnaires completed by Harris customers indicate that, in general, the residents of Harris travel elsewhere for other supplies and services.⁴¹

Petitioner Loring asserts the closing the Harris Post Office will impede the community's ability to attract new economic development and retain current businesses.⁴² The record shows, however, that the majority of the residents responding

³⁷ 39 U.S.C. § 404(d)(2)(A)(i).

³⁸ FD at 6; Item No. 33, Proposal at 6.

³⁹ FD at 6; Item No. 16, Community Survey Sheet at 1; Item No. 33, Proposal at 6.

⁴⁰ FD at 6; Item No. 16, Community Survey Sheet at 1; Item No. 33, Proposal at 6.

⁴¹ See *generally* Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters.

⁴² Nov. 17, 2011 Petition of J. Loring. Petitioner generally asserts that the "Postal Service's determination regarding the 'effect on the community' is disingenuous, flawed, incomplete and should be remanded." *Id.* Other than Petitioners' conclusory statements, there is no indication in the record of a lack of proper

to the questionnaires would still patronize local businesses in the event the Harris Post Office was closed.⁴³ Further, a number of respondents reported that they do not use local businesses now.⁴⁴ Thus, the clear majority of those residents who currently patronize local businesses in Harris responded that they would continue to do so.

Additionally, there is no indication that the Harris business community will be adversely affected. Businesses generally require regular and effective postal services and these will continue to be provided to the Harris business community.⁴⁵ Given that minimal population growth is expected in the community,⁴⁶ the Postal Service concluded that carrier service is adequate to support the existing business community and support future growth.⁴⁷

As further documented in the record, the Postal Service considered issues regarding the effect of its decision to close the Harris Post Office upon the Harris community. Specifically, the Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name.⁴⁸ The record makes clear that the Postal Service is addressing this concern through

process or procedure. Petitioner's specific concerns are addressed in turn throughout the brief.

⁴³ Item 22, Returned Customer Questionnaires at 3- 6, 8-9, 12-14, 17-22, 26, 28, 29, 33-36, 38, 41-42, 45, 50, 52, 54-60, 62-64, 68-69, and 71.

⁴⁴ Item 22 Returned Customer Questionnaires at 2, 7, 10-11, 16, 23, 31, 43, 47, 67, and 70.

⁴⁵ FD at 6; Item No. 33, Proposal at 6.

⁴⁶ Item No. 16, Community Survey Sheet.

⁴⁷ FD at 6; Item No. 33, Proposal at 6.

⁴⁸ FD at 6; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 42; Item No. 23, Analysis of Questionnaires at 3; Item No. 33, Proposal at 6.

preservation of the community identity by continuing the use of the Harris name and ZIP Code in addresses.⁴⁹

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Harris Post Office on the community served by the Harris Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Harris Post Office and would still provide regular and effective service.⁵⁰ The estimated annual savings associated with discontinuing the Harris Post Office are \$32,747.⁵¹ Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).⁵²

Petitioner Loring asserts that the Postal Service (1) placed a disproportionate emphasis on the economic savings and not the other factors it is statutorily required to

⁴⁹ FD at 6; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters at 42; Item No. 23, Analysis of Questionnaires at 3; Item No. 33, Proposal at 6.

⁵⁰ FD at 6-7; Item No. 33, Proposal at 7.

⁵¹ FD at 6-7; Item No. 33, Proposal at 7.

⁵² FD at 6-7; Item No. 33, Proposal at 7.

consider, and (2) did not adequately consider alternative financing options, such as local resources, to assist in the financing of the Harris Post Office.⁵³

First, as explained above and throughout the administrative record, the Postal Service considered a variety of factors when determining whether to close the Harris Post Office, include a postmaster vacancy; minimal workload; low office revenue;⁵⁴ the variety of delivery and retail options (including the convenience of rural delivery and retail service);⁵⁵ minimal impact upon the community;⁵⁶ and the expected financial savings.⁵⁷ Further, regular and effective postal services will continue to be provided to the Harris community in a cost-effective manner upon implementation of the Final Determination.⁵⁸ Therefore, the Postal Service acted in a manner consistent with 39 U.S.C. § 404(d)(2) in determining that it could provide a maximum degree of effective and regular postal services to the Harris area and community with rural delivery service in the absence of the Post Office.

Second, it is unclear what Petitioner Loring is proposing when he discusses financing alternatives. Assuming that he is proposing that the local community provide funding for the lease of the building that hosts the Harris Post Office, closing the Harris Post Office would still provide significant savings to the Postal Service because a large portion of the cost savings are labor-related. If the community were to provide funding

⁵³ Nov. 17, 2011 Petition of J. Loring.

⁵⁴ FD at 8; Item No. 18, Post Office Fact Sheet at 1; Item No. 33, Proposal at 7.

⁵⁵ FD at 5; Item No. 33, Proposal at 6.

⁵⁶ FD at 6; Item No. 33, Proposal at 6.

⁵⁷ FD at 6-7; Item No. 33, Proposal at 7.

⁵⁸ *Id.* at 8.

for the lease, the Postal Service still estimates a savings of over \$31,000 from the Postmaster Salary and Fringe Benefits.⁵⁹

Petitioner Hauenstein suggested various money-saving strategies for the Postal Service to avoid the need to close rural offices, such as closing the Harris Post Office on Saturdays.⁶⁰ The Postal Service has broad experience with similar options. In fact, the Postal Service has considered implementing many cost-reduction alternative options on a nationwide basis, such as the issues raised with service changes in Docket No. N2012-1. However, the focus of this administrative action concerns whether service can be provided effectively and efficiently to the Harris community.

In this case, the Postal Service has determined that rural carrier service is more cost-effective than maintaining the Harris postal facility and postmaster position.⁶¹ The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent.⁶²

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on March 26, 2010.⁶³ Since the postmaster vacancy arose, an OIC

⁵⁹ FD at 7; Item No. 33, Proposal at 7.

⁶⁰ Dec. 9, 2012, Petition of C. Hauenstein.

⁶¹ FD at 6-7; Item No. 33, Proposal at 7.

⁶² See 39 U.S.C. § 404(d)(2)(A)(iv).

was installed to operate the office.⁶⁴ The noncareer PMR serving as the OIC may be separated from the Postal Service.⁶⁵ The record shows that no other employee would be affected by this closing.⁶⁶ Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Harris Post Office, consistent with its statutory obligations.⁶⁷

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Harris Post Office on the provision of postal services and on the Harris community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Harris customers. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Harris Post Office should, accordingly, be affirmed.

⁶³ FD at 2; Item No. 33, Proposal at 2.

⁶⁴ FD at 2; Item No. 33, Proposal at 2.

⁶⁵ FD at 6; Item No. 33, Proposal at 7.

⁶⁶ FD at 6; Item No. 33, Proposal at 7.

⁶⁷ See 39 U.S.C. § 404(d)(2)(A)(ii).

The Postal Service respectfully requests that the determination to close the Harris Post Office be affirmed.

Respectfully submitted,

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